
CHAPTER 6: CLAIMS WITHOUT CONVEYANCE OF TITLE (CWCOT)

6-1 GENERAL.

- A. Under the Claims Without Conveyance of Title (CWCOT) program the mortgagee does not convey the property to HUD in exchange for insurance benefits (Section 204 of the National Housing Act, 12 USC 1710). The mortgagee bids not more than the Commissioner's Adjusted Fair Market Value (CAFMV) at the foreclosure sale. If a third party is the successful bidder the claim is filed as provided in this chapter. (24 CFR 203.368) If the mortgagee is the successful bidder and elects to convey the property to HUD the claim must be filed as a conveyance (See Chapter 2).
- B. The CWCOT procedure is used only in those cases in which the HUD field office directed or authorized the mortgagee to seek a deficiency judgment against the mortgagor.

6-2 COMMISSIONER'S ADJUSTED FAIR MARKET VALUE (CAFMV)

- A. The Commissioner's Adjusted Fair Market Value (CAFMV) is the estimate of the fair market value of the mortgaged property, less adjustments, which may include without limitation, HUD's estimate of holding costs and resale costs that would be incurred if title to the mortgaged property is conveyed to HUD.
- B. Generally the mortgagee should not bid more than the CAFMV at the foreclosure sale because that is the net value of the property to HUD. The effect of bidding an amount equal to, in excess of or less than the CAFMV is discussed in paragraph 6-5.

6-3 OBTAINING THE CAFMV

- A. The mortgagee must take the following action to obtain the CAFMV:

1. Estimate the foreclosure sale date.
2. Call the Valuation Branch, Assignment Clerk, in the local HUD Office which has jurisdiction over the property to obtain the name of a fee appraiser or HUD staff person, if available, to perform the appraisal.

Sale, Part A (see Appendix 12), Insert in Part A, Block 14 of the Form HUD-91022:

a.the name of the appraiser which was assigned from the panel of HUD fee appraisers or,

b."HUD Staff," if HUD staff is performing the appraisal.

NOTE:If State or local law or practice requires that a pre-foreclosure appraisal must be made by an independent appraiser (such as one employed by the Sheriff's Office), the mortgagee shall submit that appraisal, if it is obtainable, with the HUD-91022 in lieu of requesting the HUD fee appraiser.

4.Deliver the HUD-91022 to the local HUD Office Single Family (SF) Loan Management Branch 45 days prior to the estimated foreclosure sale date and label the envelope "CWCOT/Deficiency Judgment/Foreclosure Sale".

5.Confirm the actual date of the foreclosure sale by furnishing a copy of the legal Notice of Sale or other notification of the actual foreclosure sale date to the local HUD Office, SF Loan Management Branch, on or before the date of publication, posting, or other standard legal notice. Insert at the top of this notice:

a."Deficiency Judgment Case",

b.the Mortgagee Loan Number,

c.the FHA Case Number, and

d.the Mortgagor's Name.

B.On the same day that the mortgagee submits the HUD-91022 to HUD, the mortgagee must:

1.Forward a completed Application for Property Appraisal and Commitment, Form HUD-92800, package including a Uniform Residential Appraisal Report (URAR) to the appraiser or to the HUD Valuation Branch if a HUD staff person is to perform the appraisal (URAR not required for HUD staff), and

2.Label the top of the HUD-92800, "PROPERTY IN FORECLOSURE/DEFICIENCY JUDGMENT". (This will serve as a "flag" to the appraiser as well as the local HUD Office regarding the disposition of the appraisal report.)

NOTE: The assigned fee appraiser will follow the outstanding instructions which require that within five (5) working days of receipt of the request that the appraiser must send:

a. The completed report to the local HUD Office, Valuation Branch, and

b. A copy of the report to the mortgagee.

C. If the mortgagee discovers, through receipt of the actual Notice of Sale, or other standard legal notice of the foreclosure sale, that they have not sent the HUD-91022, the mortgagee must immediately send a packaged marked "URGENT" containing the HUD-91022 and the Notice of Sale (with the sale date highlighted) to the HUD Office Loan Management Branch.

Example: The mortgagee estimated 45 days prior to a foreclosure sale date of July 15 and intends to submit the HUD-91022 on or a few days before June 1.

On May 20, the mortgagee receives the actual Notice of Sale or other notification of the foreclosure sale date set for June 21.

The mortgagee must submit immediately the HUD-91022 marked "URGENT" and the Notice of Sale or other notification on or before the date of the publication, posting, etc. of the June 21 foreclosure sale date.

D. The SF Loan Management Branch will provide the CAFMV to the mortgagee when notified of the actual foreclosure sale date.

If the CAFMV has not been received by the mortgagee at least five (5) working days prior to the foreclosure sale, the mortgagee shall contact the local HUD Office Loan Management Branch to ascertain the reason for the delay in receipt of the CAFMV. If a mortgagee incurs repeated unsuccessful attempts to contact the local HUD Office to obtain the bid amount, it should proceed with the sale and bid as it chooses, but clearly document such circumstances for HUD monitoring purposes.

6-4 POSTPONED SALES AND REINSTATEMENT

A. Postponed Sales. If the foreclosure sale is postponed, the appraisal and the CAFMV continue in effect for four months from the date of the appraisal. During this period, the mortgagee must notify immediately the HUD SF Loan Management Branch if its inspection of a vacant property indicates any damage to the

property. The SF Loan Management Branch will advise the mortgagee accordingly. (Refer to paragraph 6-9 below regarding damaged properties.)

If the sale is postponed and the newly scheduled foreclosure sale date is set for more than four months from the date of the appraisal, the mortgagee must contact HUD to obtain an appraiser to update the appraisal and receive an updated CAFMV. The mortgagee must follow the same time requirements used to get the first appraisal and add to the top of the HUD-92800 that is an "UPDATED APPRAISAL, PROPERTY IN FORECLOSURE/DEFICIENCY JUDGMENT."

B.Reinstatement. If the mortgagor reinstates the mortgage after foreclosure has been instituted, the mortgagee must:

1.Advise the local HUD office, SF Loan Management Branch, by telephone and follow up with a letter marked to the attention of the SF Loan Management Branch/CWCOT/Deficiency Judgment and include the FHA case number, verifying such action.

2.Contact the fee appraiser to cancel the appraisal, or if HUD staff was assigned, the SF Loan Management Branch.

3.Pass on the cost for the appraisal to the mortgagor as part of the foreclosure expenses, as set out in 24 CFR 203.552(a)(9).

6-5BIDDING AND ACQUISITION OF TITLE AT FORECLOSURE SALE. At the foreclosure sale, either the mortgagee or a third party will be the successful bidder. Also, the mortgagor or a third party may redeem the property.

A.If the Mortgagee is the Successful Bidder:

1.Where the mortgagee is the successful bidder for an amount equal to the CAFMV, the mortgagee may elect to either retain title to the property, or convey the title to the property to HUD.

a.When the mortgagee retains title, it must file its claim for insurance benefits as provided in this chapter.

b.When the mortgagee conveys title to the property to HUD, the mortgagee must file its claim for insurance benefits as a conveyance claim (Chapter 2).

2.Where the mortgagee is the successful bidder for an amount

in excess of the CAFMV, the mortgagee may not convey title to the property to HUD. The mortgagee is limited to filing a claim for the insurance benefits computed as provided in this chapter. The amount of the bid will be deducted from the principal balance of the mortgage when the claim is computed.

NOTE: a. There may be special circumstances, such as when the mortgagee may be required under State law to bid in excess of the CAFMV, which will justify a mortgagee's bid in excess of the CAFMV. Under such circumstances, the mortgagee must call the HUD Single Family Loan Management Branch immediately after but no later than five days after the foreclosure sale, to obtain approval to convey title to the property to HUD. The SF Loan Management Branch shall confirm such approval in writing. The Department will waive the bidding requirement of the CAFMV and allow the mortgagee to convey title to the property to HUD and file a claim for the insurance benefits. The mortgagee must indicate that it received the Field Office approval and provide the date of the approval letter in the "Mortgagee's Comments Section" on the Claim for Insurance Benefits, Form HUD-27011. A copy of the Field Office approval letter must be maintained in the mortgagee's Audit File.

b.If the mortgagee bids an amount in excess of the CAFMV, and is subsequently penalized for such action, this does not excuse the mortgagee from its duty to assign to HUD any deficiency judgment obtained.

3.Where the mortgagee is the successful bidder for an amount which is less than the CAFMV, the mortgagee must convey title to the property to HUD. If the mortgagee retains title to the property, the mortgagee may not file a claim.

If the mortgagee elects to convey title to HUD, the mortgagee must file its claim for insurance benefits as a conveyance claim (Chapter 2).

Page 6-59/94

4330.4

CWCOT

4.If the mortgagee retains title to the property HUD will not pay for any of the following costs incurred by the mortgagee:

a.Costs to maintain the property after the foreclosure sale,

b.Eviction costs, or

c.Costs to sell the property.

B.If a Third Party is the Successful Bidder:

1.Where a third party is the successful bidder at the foreclosure sale for an amount equal to or greater than the CAFMV, the mortgagee must submit its claim for insurance benefits as provided in this chapter. When the claim is calculated, the proceeds of the sale shall be deducted from the principal balance of the mortgage which was unpaid on the date of the foreclosure proceedings.

2.Where a third party is the successful bidder at the foreclosure sale for an amount which is less than the CAFMV, the mortgagee may not file a claim.

3.In the event of a third party purchase, HUD will not reimburse the mortgagee for eviction costs or expenses incurred to preserve and protect the property after the foreclosure sale.

C.If the Mortgagor or a Third Party Redeems the Property:

Where the mortgagor or a third party redeems the property and acquires title for an amount not less than the CAFMV, the mortgagee must submit its claim as provided in this chapter. The redemption amount will be deducted from the principal balance of the mortgage when the claim is calculated.

6-6TIME REQUIREMENTS. The mortgagee must comply with the following time requirements when submitting a claim without conveyance of title. Failure to comply will result in curtailment of debenture interest to the date the action should have been taken or to the date to which it was extended by HUD (24 CFR 203.402(k)(2)).

A.Institute foreclosure proceedings or other action to acquire the mortgaged property within nine months from the date of default, unless an extension of time is approved in writing.

B.Provide written notice to HUD that foreclosure has been instituted. The notice must be provided within 30 calendar days of the institution of foreclosure. This requirement is satisfied by reporting to HUD's Single Family Default Monitoring System.

C.Exercise reasonable diligence in prosecuting the foreclosure proceedings to completion (See paragraph 2-2).

D.File the claim within 30 days of:

- 1.the date the mortgagee acquired good marketable title; or
- 2.the date another (third) party acquired good marketable title; or
- 3.the date the mortgagor or other party redeemed the property; or
- 4.the date the redemption period expires; or
- 5.whatever date the Commissioner requires (24 CFR 203.368(i)(5)(iv)).

E.HUD Headquarters must receive the claim form (HUD-27011, Parts A and B) within 10 days of the date the form was prepared. The claim is not considered to have been received unless all required information has been provided and all attachments are received.

6-7EXTENSION OF TIME REQUIREMENTS. If the mortgagee cannot comply with the above requirements for Items A and D because of circumstances beyond its control, it should submit a request for an extension of time to the local HUD office. The request should be made as soon as possible before the time limit for that action expires (See paragraph 2-14).

6-8 DEFICIENCY JUDGMENT FEES AND COSTS.

A.Full Reimbursement. Fees and costs are reimbursable only when HUD requested or required the deficiency judgment action or when HUD has approved the mortgagee's request to pursue the judgment. If HUD has requested the mortgagee to seek a deficiency judgment the deficiency judgment costs are 100 percent reimbursable. They should be entered in Item 410 of Part E and must be described in detail.

Allowable costs and fees are as follow:

- 1.Attorney fees which relate only to the deficiency judgment.

Page 6-79/94

4330.4

CWCOT

- 2.Additional filing or recording fees which relate only to the deficiency judgment.

- 3.Costs related to a judicial foreclosure if local law

requires a judicial foreclosure in order to obtain a deficiency judgment and the foreclosure would otherwise be by power of sale.

B. Partial Reimbursement. Nonjudicial foreclosure costs and judicial foreclosure costs not required by the deficiency judgment request should be shown in Item 306 and 307 of Part B, and are subject to 2/3 limitation in reimbursement. Attorney fees entered in Item 306 are also subject to the same jurisdictional limitation as cases not involving a deficiency judgment. Only foreclosure costs which are subject to full reimbursement, and costs related to the deficiency judgment should be shown in Item 410 of Part E.

6-9 DAMAGED PROPERTY. A claim without conveyance title may not be filed if the property is damaged. A conveyance claim must be filed for damaged property.

6-10 HAZARD INSURANCE. There will be no reimbursement from HUD for any hazard insurance premiums allocated to the period after acquisition of title by the mortgagee or a third party.

6-11 TITLE REQUIREMENT. Since the property is not conveyed to the Secretary, title evidence procedures are not applicable.

6-12 SPECIAL FORBEARANCE. If a claim for insurance benefits is filed pursuant to a default under a special forbearance agreement entered into between the mortgagee and the mortgagor, the debenture or cash payment will include all unpaid mortgage interest (see paragraph 2-20).

6-13 CLAIM PAYMENT. All claims for insurance benefits eligible to be paid in cash will be settled in that manner. HUD will promptly pay in one lump sum, 100 percent of the unpaid principal balance, less the sale, bid or redemption price, plus allowable costs and debenture interest, upon receipt of Parts A and B provided the claim has been properly completed, meets time requirements and does not contain exceptional costs.

6-14 DEBENTURE INTEREST ALLOWANCE. The issue date of debentures, or the beginning date for computation of the debenture interest allowance if settlement of the claim is made in cash, will be the date of default as such term is defined in 24 CFR 203.331, provided the insurance settlement does not include unpaid mortgage interest resulting from a default under a special forbearance agreement.

When the claim is settled in cash, the cash payment will include an amount equivalent to the interest the debentures would earn, if they were issued, at the debenture rate.

Debenture interest will be paid on the unpaid principal balance from the date of default to the date the mortgagee or third party bidder obtains title or the date the mortgagor redeems the property.

Interest continues on the difference between the unpaid principal balance and the greater of either the CAFMV, redemption amount or the third party bid, to the date of final payment of the claim.

Further debenture interest is paid on expenses from the date of expenditure to the date of final payment of the claim.

If the mortgagee fails to take actions as set forth under "Time Requirements" within the time specified, or at such further time as may be approved by HUD in writing, the interest allowance shall be computed only to the date the particular action should have been taken or to which it was extended (24 CFR 203.402(k)(2)(ii)).

6-15DOCUMENTS TO BE SUBMITTED. It is very important that all required documentation be forwarded to the appropriate locations in a timely manner. Failure to meet any of the documentation requirements could jeopardize all or part of the claim reimbursement. The various critical control and notification functions which enable HUD to expedite the payment of a claim. All documents must be submitted within 30 days of the date the mortgagee or a third party acquires title to the property, the date the property is redeemed, or the date the redemption expires.

A.To HUD Headquarters. HUD Headquarters must receive the documents within 10 days after submission date:

- 1.The original of Parts A and B.
- 2.The original Mortgage Insurance Certificate.
- 3.A copy of the forbearance agreement, if any.
- 4.A worksheet showing reallocation of mortgage payments if capitalization method of accounting is used (see paragraph 1-3).

B.To the Local HUD Office:

- 1.Copies of Parts A and B.

Page 6-99/94

4330.4

CWCOT

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- 2.The original of Parts C, D and E.
 - 3.An appropriate document confirming the sale price at foreclosure.

applications.

In many instances, the instructions provided in Chapter 2, Conveyances apply equally in CWCOT cases. When this occurs the words "Same as Conveyance" appear after the Item title and the conveyance instructions for that item are repeated verbatim for convenience.

A. Instructions for the Completion of HUD Form 27011, Part A, Initial Application. The following item by item instructions are to be used when completing HUD Form 27011, Part A, for Claims Without Conveyance of Title.

PART A

INITIAL APPLICATION

Item 1 Claim Type. Place an "X" in the space for Claim Type 06 = CWCOT.

Items 2 & 3 FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA Case Number and the appropriate Section of the National Housing Act ADP code. All mortgages endorsed since 1962 use the first style shown below, with three numerals, then a hyphen, then six numerals (or seven including the check digit). Be sure to include the hyphen on the claim, whether the claim is submitted on paper or through electronic data interchange (EDI), even though CHUMS may omit it. The three other acceptable FHA case number formats, for pre-1962 mortgages, are also illustrated below. All models include the Section of the Act (SOA) ADP codes. The formatted case number appears on the MIC or the advanced notice of S/F Annual MIP unless the case is included in CHUMS, as in "5".

(1)	X X X - X X X X X X	X X X
	or X X X - X X X X X X X	
	FHA Case No.	SOA ADP Code
(2)	X X - X X X X X X	X X X

	FHA Case No.	SOA ADP Code
(3)	X X X X X X - X X FHA Case No.	X X X SOA ADP Code
(4)	X X X - X X X X X FHA Case No.	X X X SOA ADP Code

Item 6 Date Form Prepared. Enter the date this form is completed and submitted to HUD.

Item 7 Due Date of First Payment to Principal and Interest (Same as Conveyance). Enter the date the first payment to Principal and Interest is due. Obtain this date from the mortgage note.

Item 8 Due Date of Last Complete Installment Paid (Same as Conveyance). Enter the date the last complete installment paid was due, not the date it was paid. This item should be taken from the payment ledger. If no payments have been made, enter the date in Item 7 (Due Date of the First Payment to Principal and Interest). Note that the date in this item will always be the first of the month.

Item 9 Date of Possession and Acquisition of Marketable Title. Enter the date the mortgagee or third party obtains title to the property or the date the property is redeemed.

Item 10 Date Deed or Assignment Filed for Record or Date of Closing or Appraisal. Not applicable.

Item 11 Date Foreclosure Proceedings (a) Instituted or

9/94

Page 6-14

CWCOT

4330.4

(b) Date of Deed In Lieu. Check the appropriate box and enter the date of the first public action taken which was required by law to initiate foreclosure (e.g., filing a complaint or petition, recording a notice of default, or publication of a notice of sale). If the foreclosure action was nullified under state law by the filing of a bankruptcy petition, enter the date on which the foreclosure action was re-instituted. A deed-in-lieu may not be accepted in deficiency judgment cases.

Item 12 Holding Mortgagee Number (Payee) (Same as Conveyance). Enter the complete 10-digit mortgagee number of the holding mortgagee.

Note: This number determines the payee's name and the address to which the insurance benefits check and claim payment data are mailed.

Item 13 Servicing Mortgagee Number (Same as Conveyance). Enter the complete 10-digit mortgagee number of

the servicing mortgagee.

Note: This number determines the name and address to which all computer generated letters and claim payment data is mailed. Information will be mailed only to the holding mortgagee if this item is not completed.

Item 14 Mortgagee Reference Number (Same as Conveyance). Enter the loan number (maximum 15 digits) used by the mortgagee for identifying the case if any. This number will be printed on the benefits check. If the mortgagee is FNMA or GNMA, the FNMA or GNMA loan number must be entered.

Item 15 Original Mortgage Amount (Same as Conveyance). Enter the original mortgage amount. This figure should be taken from the mortgage note. If there has been a recast of the mortgage, make a notation of the recasting on the reverse side of Part A under "Mortgagee's Comments" and make reference to 24 CFR 203.342.

Page 6-159/94

4330.4

CWCOT

Item 16 Holding Mortgagee EIN. Not applicable.

Item 17 Unpaid Loan Balance as of Date in Item 8 (Item 11 if coinsurance) (Same as Conveyance). Enter the unpaid mortgage balance after crediting the last complete monthly installment paid. This figure is taken from the mortgagee's payment ledger. Partial payments insufficient to complete a full monthly installment are to be reported in Part B, Item 109 as escrow funds.

Item 18 Date of Firm Commitment (Same as Conveyance). Enter the date of the firm commitment. This date should be taken from the firm commitment document, if available. The debenture interest rate is determined by the firm commitment date or the date of endorsement, whichever yields the higher rate. If the case was insured under the Direct Endorsement Program or the commitment date is not available, this item must be left blank. Direct endorsement mortgages may be identified by the suffix code 700 through 799. Do not enter a date here if this is a direct endorsement or coinsurance loan or you may be paid an incorrect debenture interest rate.

Item 19 Expiration Date of Extension to Foreclose/ Assign (Same as Conveyance). If a request for an extension of time is requested by the mortgagee and granted by the local HUD office, enter the expiration date of that extension. The extension must be in writing. See paragraph 1-6.

If bankruptcy is involved or if state or local laws delay action, the mortgagee need not obtain approval to extend the date to begin foreclosure. Enter the date 60 days after the date of the release of bankruptcy, unless an additional extension period is approved by the local HUD office. The latest extension date must always be entered. This 60 day extension is only applicable when the bankruptcy precluded initiation of foreclosure within the timeframe. See paragraph 2-16.

9/946-16

CWCOT

4330.4

Item 20 Date of Notice/Extension to Convey. Not applicable.

Item 21 Date of Release of Bankruptcy, If Applicable (Same as Conveyance). Enter the date the bankruptcy stay or the local law prohibition was released. Note: When there is more than one bankruptcy, and the mortgagee is entitled to a 60 day extension to begin foreclosure, enter the release date which applies to the extension.

Item 22 Is Property Vacant? Yes or No. Check one.

Item 23 If Item 22 is "No," Date of Local HUD Office Approval. Not applicable.

Item 24 Is Property Conveyed Damaged? Yes or No. If the damage falls into the categories listed in 24 CFR 293.378 or 203.379, a CWCOT claim may not be filed.

Item 25 If Item 24 is "Yes," Date of (a) Local HUD Office Approval (Pursuant to 203.379(a)) or (b) Certification (pursuant to 203.379(b)). Not applicable.

Item 26 Type of Damage. Not applicable.

Item 27 Recovery or Estimate of Damage. Not applicable.

Item 28 Is Mortgagee Successful Bidder? Yes or No.
This question must be answered. If the property
was redeemed answer "No".

Item 29 Deficiency Judgment Code (Same as
Conveyance). Enter the code number 1, 2 3 or 4 as
appropriate. See below.

Code

Page 6-179/94

4330.4

CWCOT

1Enter "1" - If HUD authorized you to obtain a
deficiency judgment, but you did not acquire
one.

2Enter "2" - If you obtained a deficiency
judgment, but HUD did not authorize you to do
so.

3Enter "3" - If HUD authorized you to obtain a
deficiency judgment and you were successful
in obtaining one.

4Enter "4" - If HUD did not authorize a
deficiency judgment and you did not obtain
one.

Item 30 Authorized Bid Amount (Same as
Conveyance). - Enter the amount of the
CAFMV, if provided by HUD field office.

Item 31 Mortgagee Reported Curtailment Date (Same
as Conveyance) - If the mortgagee failed
to comply with a time requirement for any
of the following circumstances: a)
reasonable diligence, b) notice of
foreclosure, or c) failure to initiate
foreclosure within one year of default
and subsequent payments advance the
default date, enter the date the action
should have been taken. If there was
more than one failure, enter the earliest
date on which a required action should
have been taken.

Item 32 Schedule of Tax Information. Not applicable.

Item 33 Mortgagor's Name, Social Security Number
and Property Address (Same as
Conveyance). - Enter the name of the

mortgagor in default as it appears on the ledger record. Enter the property address as it appears on the security instrument or the MIC.

Enter the social security numbers of all mortgagors, if known. At least one social security number is required. See Par. 1-8 for additional information.

Item 34 Brief Legal Description of Property. Enter a

9/94

Page 6-18

CWCOT

4330.4

brief description of the property.

Item 35 Name and Address of Mortgagee (Same as Conveyance). Enter the name and address of the mortgagee, including the ZIP code.

Item 36 Name and Address of Mortgagee's Servicer (Same as Conveyance). Enter the name and address of the mortgagee's servicer, including the ZIP code, if applicable. Include the name and telephone number of a contact person who can answer questions about the claims.

Items 37

and 38 Mortgagee Official Signature, Date and Title, and Servicer Signature. Date and Title (Same as Conveyance). The claim must be signed and dated by an official of the holding mortgagee if the holding mortgagee is filing the claim. If a servicer is filing the claim on behalf of the mortgagee, an official of the servicer must sign and date the form. The application must be complete when signed and the actual date signed must be entered by the signing official. The application will be returned if it is not signed or if it contains a stamped or duplicated signature.

* Note to signing official: Please be sure you have read and understand the certifications on the HUD Form-27011 before signing and dating. If your system prints the date in items 37 and 38, check to ensure this is the date you are signing the form. Also check the submission date in item 6 to ensure it does not reflect an earlier date. The date in item 6

should be the same date as item 37 or item 38.*

Item 39 Amount of Monthly Payment to: (a) FHA insurance, (b) Taxes, (c) Hazard Insurance and (d) Interest and Principal. Not applicable.

Item 40 If Bankruptcy Filed, Enter Date. Enter the date of

Page 6-199/94

4330.4

CWCOT

the last bankruptcy action. This is required if Item 21 is completed.

Item 41 If Conveyed/Assigned Damaged, Date Damage Occurred. Not applicable.

Item 42 Date HIP Cancelled or Refused, if Applicable. Not applicable.

Item 43 Number of Living Units. Not applicable.

Item 44 Status of Living Units. Not applicable.

Mortgagee's Comments, if any. Use this area to justify unusual circumstances as well as other information required by the instructions.

HUD's Comments, if any. HUD USE ONLY.

B.Instructions for the Completion of HUD Form 27011, Part B, Fiscal Data. The following item-by-item instructions are to be used when completing HUD Form 27011, Part B, for claims without conveyance of title. Prepare this Part after Parts C, D and E have been completed. The information entered in this Part is transferred from Parts C, D and E.

PART B

FISCAL DATA

Item 100 Mortgagor's Name and Property Address (Same as Conveyance). Enter the mortgagor's name and property address as they appear in Item 33 of Part A.

Items 101 and 102 FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA Case Number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

Item 103 Mortgagee's Reference Number (Same as

9/94

Page 6-20

CWCOT

4330.4

Conveyance). Enter the mortgagee's Reference Number as it appears in Item 14 of Part A.

Item 104 Date Form Prepared (Same as Conveyance). Enter the date Part B is prepared and submitted to HUD.

Item 105 Expiration Date to Submit Title Evidence, if Applicable. Not applicable.

Item 106 Check if Supplemental. Check this box only if you have received final payment of your claim. See Chapter 7.

Item 107 Adjusted Loan Balance (if different from block 17 on Part A). Not applicable.

Item 108 Sale/Bid Price or Appraisal Value (for Coinsurance or Nonconveyances) Enter the greater of the Commissioner's Adjusted Fair Market Value (CAFMV) or the foreclosure sale price or the redemption price. The term "foreclosure sale price" shall mean the actual amount bid at the foreclosure sale where the property was sold. The amount of the proceeds from the foreclosure sale actually distributed to the mortgagee should not be used. Similarly, the redemption price shall mean the redemption price figure, not the amount of redemption proceeds actually received by the mortgagee.

Item 109 Escrow Balance (as of Date in Block 10, Part A) (Same as Conveyance). Enter amount remaining in escrow account as of the date the deed is filed for record. Also include any funds received on account of the mortgage which have not been applied to reduce the indebtedness, e.g., partial payments, hazard insurance refunds, buydown monies, funds held in escrow for on-site repairs (pursuant to Form HUD-92300, Assurance of Completion Agreement). DO NOT SEND ESCROW FUNDS TO HUD.

oSee Item 123 for unapplied Section 235 assistance payments.

4330.4

CWCOT

oPayment of expenses for which funds are escrowed shall be charged to the escrow account in full or in part until the escrow account balance equals zero. Expenses paid from available escrow funds are not to be recorded on Part D.

oDO NOT ENTER A NEGATIVE BALANCE. Advances by the mortgagee for expense payments normally charged to the escrow account shall be recorded under Part D. Items 305 or 311, as appropriate. When the first occurrence of an expense results in a negative balance to escrow, enter the negative amount in Item 305 or 311, whichever is appropriate. Interest on advances shall be computed from the date of disbursement to the date the claim is mailed. If there were any advances from escrow prior to the date of default, interest is calculated from the date of default.

oIllustration of Mortgagee Advances:

	Date Due	Date Paid	Interest	Principal	Escrow	Escrow Balance
Balance	Forward	\$151.60	
1/01/83	2/03/83	\$73.32	\$21.07	\$70.69	222.29	
	8/03/83			198.98-	23.31	
	12/11/83			51.19-	(27.88)/1	

Item 110 Total Disbursements for Protection and Preservation from Line 264, Part C (Same as Conveyance). Enter the total amount of disbursements and debenture interest appearing in Part C, Item 264. Note on the reverse side of this part any authorization obtained from the local HUD office for approvals to exceed allowable amounts.

Item 111 Total Disbursements from item 305, Part D (Same as Conveyance). Enter the total amount paid and debenture interest appearing in Part D, Item 305.

Item 112 Attorney/Trustee Fees Paid From Line 306, Part D

/1First amount to be entered on Part D, Item 305 or 311, as applicable. Interest should only be calculated on \$27.88, not the \$51.19.

(Same as Conveyance). Enter the total amount paid and debenture interest appearing in Part D, Item 306. HUD WILL CALCULATE THE TWO-THIRDS ALLOWANCE FOR BOTH EXPENSES AND INTEREST.

Item 113 Foreclosure, Acquisition, Conveyance and Other Costs from Line 307, Part D (Same as Conveyance). Enter the total amount paid and debenture interest appearing in Part D, Item 307. HUD WILL CALCULATE THE TWO-THIRDS ALLOWANCE FOR BOTH EXPENSES AND INTEREST.

Item 114 Bankruptcy Fee (if applicable) from Line 310, Part D (Same as Conveyance). Enter the amount of bankruptcy fees paid and debenture interest appearing in Part D, Item 310. HUD WILL CALCULATE THE TWO-THIRDS ALLOWANCE FOR BOTH EXPENSES AND INTEREST.

Item 115 Rental Income. Enter any income from the rent of the property between the date foreclosure proceedings were instituted (or property otherwise acquired) and the date in Item 9.

Item 116 Rental Expense (Same as Conveyance). Enter rental expenses incurred, if any. If there is no entry in Item 115, make no entry in this item.

Item 117 Total Taxes on Deed from Line 308, Part D (Same as Conveyance). Enter the total amount paid and the debenture interest shown in Item 308, Part D.

Item 118 Recovery or Damage (if not reported on Part A). Use Line 119 if Reported on Part A. Not applicable.

Item 119 Estimate or Recovery from Part A. Not applicable.

Item 120 Special Assessments (DO NOT USE FOR COINSURANCE) from Line 309, Part D (Same as Conveyance). Enter the total amount paid and debenture interest which appear in Item 309, Part D.

Item 121 Mortgage Note Interest. Mortgage note interest will be included in the insurance benefits if a mortgagor fails to meet the requirements of a special forbearance agreement and the failure continues for at least 60 calendar days. See Paragraph 2-19.

From. Enter the date of the last completely paid installment after all funds received under the agreement are applied according to the terms of the mortgage (Item 8, part A). If no mortgage payments were made, enter a date 30 days prior to the due date of the first scheduled payment (Item 7, Part A).

To. Enter the earliest of the following dates:

- 1.the date of institution of foreclosure proceedings;
- 2.the date the successful bidder obtains title;
- 3.90 calendar days following the date the mortgagor fails to meet the requirement of the forbearance agreement; or
- 4.such other date as the local HUD office may approve in writing prior to expiration of the 90 calendar day period (24 CFR 203.402a).

Rate. Enter the mortgage interest rate as it appears on the mortgage note.

Compute the amount of mortgage interest due as instructed in Paragraph 2-19 and enter in Column C.

Item 122 Mortgage Insurance Premiums (Same as Conveyance). Enter total from item 311, Part D.

Item 123 Unapplied Section 235 Assistance Payments (Same as Conveyance). Enter unapplied assistance payments in Column A, if applicable.

Item 124 Overpaid Section 235 Assistance Payments (Same as Conveyance). Enter the amount of any funds advanced by the

mortgagee to repay to HUD assistance to which the mortgagor was not entitled and which was not recovered from the mortgagor, unless the overpayment was the result of error on the part of the mortgagee. Amount is to be entered in Column B. Do not calculate debenture interest for Column C.

Items 125 thru 129 Not applicable. Any amounts appearing on these lines will be disallowed.

Item 130 Appraisal Fee. Enter total from line 409, part E, if applicable. Interest may be added in Column C.

Item 131 Deficiency Judgment Costs/Fees. Enter the total from Line 410, Part E, if applicable. Interest may be added in Column C.

Item 132 Reserved.

Item 133 Contact: Holding Mortgagee, Name and Telephone Number; or Contact: Servicing Mortgagee, Name and Telephone Number (Same as Conveyance). Enter the name and telephone number of a person in the holding or servicing mortgagee's office who can answer questions concerning the information reported on this claim form. Include the Holding Mortgagee number which you entered in Item 12 of Part A.

Items 134 to 136 Enter the totals of Columns A - Deductions; B - Additions; and C - Interest.

Item 137 Net Claim Amount (Columns B - A + C). The amount HUD actually pays will differ from what the mortgagee enters here because of possible interest curtailments, disallowed expenses, HUD's calculation of two-thirds allowances on attorney/trustee fees, foreclosure costs and bankruptcy fees, and additional debenture interest calculated by HUD to the date of claim settlement.

Page 6-259/94

4330.4

CWCOT

Items 138 and 139 Mortgagee's Official Signature, Date and Title (signature not necessary if signed by a servicer) or Servicer Signature, Date, and Title. See

instructions for Part A, Items 37 and 38.

C. Instructions for the Completion of HUD Form 27011, Part C, Support Document. The following item-by-item instructions are to be used when completing Form HUD-27011, Part C, for claims without conveyance of title.

Expenditures may be entered on Part C as they occur, however, debenture interest calculations should not be made until the date of claim submission because interest allowance will be computed from the date of expenditure to the date Part B is filed unless interest is curtailed.

No expenses should be incurred and no work should be performed on the property of the foreclosure sale and the expiration of the redemption period. This does not preclude reimbursement for expenses incurred or work completed before conveyance but not paid until after the sale.

If the local HUD office instructs the mortgagee to perform a specific service after the date of sale, a notation must be made on the reverse of the form under "Mortgagee's Comments".

Each expense listed for reimbursement must be itemized and sufficient information must be provided for computation of debenture interest. See Paragraph 2-5.

PART C

SUPPORT DOCUMENT

Item 200 Mortgagee's Name and Property Address (Same as Conveyance). Enter the mortgagee's name and property address as they appear in Item 33 of Part A.

Items 201
and 202 FHA Case Number and Section of Act Code

9/94

Page 6-26

CWCOT

4330.4

(Same as Conveyance). Enter the FHA case number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

Item 203 Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's reference number as it appears in Item 14 of Part A.

Item 204 Date (Same as Conveyance). Enter the date entered in Part B, Item 104 if all actions taken by the

mortgagee are within the time requirements or the automatic extensions specified in Paragraph 2-13 or within the extended time requirements (See Paragraph 1-3). If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or its approved extension, enter the date the action should have been taken. Debenture interest will be computed to this date. If there was more than one failure, enter the earliest date on which a required action should have been taken (See paragraph 2-5c).

Item 205 Debenture Interest Rate (Same as Conveyance). Using the Debenture Interest Rate Table provided in Appendix 3 of these instructions, determine the rate at the date of firm commitment and the rate at the date of endorsement, then enter the higher rate. In Direct Endorsement cases enter the rate in effect on the date of endorsement. The debenture interest rate can also be found on the Part A advice of payment.

Item 206
through

Item 261 Disbursements for Protection and Preservation (Same as Conveyance). Enter all inspection, protection and preservation expenses. This includes debris removal, replacing broken glass, protecting plumbing and other operating systems against damage by freezing, care of lawns and shrubs, repair of leaking roof, etc. Describe the service performed, the date it was completed and the date paid. See paragraph 2-11 for the nature of reimbursable

Page 6-279/94

4330.4

CWCOT

expenditures and cost limits. Enter expenses paid to board up the property if the field office gave prior approval.

Enter the date of each inspection and indicate whether it is an Initial, Occupancy or Vacancy inspection. See paragraph 2-11. A copy of an inspection report must be maintained by the mortgagee for each inspection itemized.

oDate Paid. A separate entry must be made for each payment. Enter the date the check was disbursed. If an expenditure or advancement was made prior to the date of default, enter

the date of default and enter the actual date paid in parentheses following the description (See Paragraph 2-5c).

oDate Work Completed - If date is not available on the invoice, obtain this date from vendor or contractor. This is not necessarily the date of billing, but the actual date the work was completed.

oDescription of Service Performed - Enter a description of the items or types of repairs and services performed, i.e., inspections. Additional space is provided on reverse of form.

oAmount Paid - Actual payment amounts are to be entered. This information will be transferred to Part B, Fiscal Data.

oDebenture Interest - To obtain the amount of interest due on an expenditure, multiply the daily interest rate factor by the amount paid. Multiply this result by the number of days from the date paid for each line item to the date in Item 204 (submission date for Part B). Daily Interest Rate Factor tables are provided in Appendix 8 of these instructions to assist in converting the debenture interest rates. In addition, Julian date calendars are provided in Appendix 9 to assist in determining the number of days from the date the expenditure was paid to the date of submission of the claim or the curtailment date.

9/94

Page 6-28

CWCOT

4330.4

Item 262 Subtotals (Same as Conveyance). If reverse side of form is used to list protection and preservation costs, add amount paid and debenture interest columns.

Item 263 Subtotals Brought Forward (Same as Conveyance). If reverse side of form is used, bring subtotals appearing in Item 262 to this line.

Item 264 Totals (Same as Conveyance). Total the "amount paid" and "debenture interest" columns. Enter the totals on Part B, Item 110, Column C when completing Part B, Fiscal Data.

Item 265
and 266 Contact: Holding Mortgagee, Name and Telephone Number; or Contact: Servicing Mortgagee, Name and Telephone Number (Same as Conveyance). Enter the name and telephone number of a person in the holding or servicing mortgagee's office who can answer questions concerning the information reported on this claim form. Include the Holding Mortgagee number which you entered in Item 12 of Part A.

Item 267
and 268 Mortgagee Official Signature, Date and Title (not necessary if signed by servicer) or Servicer Signature, Date and Title (Same as Conveyance). A signature must appear in at least one of these blocks; however, it is acceptable if both the mortgagee and the servicer wish to sign this form.

Mortgagee's Comments, if any - Use this area to justify extremely large expenditures, as well as other information required by these instructions.

HUD's Comments, if any - For HUD's use only.

D. Instructions for the Completion of HUD Form 27011, Part D, Support Document (Continuation 1). Expenditures may be entered on Part D as they

Page 6-299/94

4330.4

CWCOT

occur, however, debenture interest calculations should not be made until the date of claim submission because interest allowance will be computed from the date of expenditure to the date Part B is filed unless interest is curtailed.

oDate Paid. A separate entry must be made for each payment. Enter the date the check was disbursed. If an expenditure or advancement was made prior to the date of default, enter the date of default and enter the actual date paid in parentheses following the description (See Paragraph 2-5c).

oDescription of Service Performed - Enter a description of the items or types of services performed. Additional space is provided on reverse of form.

oAmount Paid - Actual payment amounts are to be entered. This information will be transferred to Part B, Fiscal data.

oDebenture Interest - To obtain the amount of interest due on an expenditure, multiply the daily interest rate factor by the amount paid. Multiply this result by the number of days from the date paid for each line item to the date in Item 204 (submission date for Part B). Daily Interest Rate Factor tables are provided in Appendix 8 of these instructions to assist in convening the debenture interest rates. In addition, Julian date calendars are provided in Appendix 9 to assist in determining the number of days from the date the expenditure was paid to the date of submission of the claim or the curtailment date.

oTotal the "amount paid" and "debenture interest" columns.

PART D

SUPPORT DOCUMENT (CONTINUATION 1)

Items 300
and 301 FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA case number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

9/94

Page 6-30

CWCOT

4330.4

Item 302 Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's reference number as it appears in Item 14 of Part A.

Item 303 Debenture Interest Rate (Same as Conveyance). Using the Debenture Interest Rate Table provided in Appendix 4 of these instructions, determine the rate at the date of firm commitment and the rate at the date of endorsement, then enter the higher rate.

Item 304 Date (Same as Conveyance). Enter the date entered in Part B item 104 if all actions taken by the mortgagee are within the time requirements or the automatic extensions specified in Paragraph 2-13 or within the extended time requirements (See Paragraph 1-3). If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or its approved extension, enter the date the action should have been taken. Debenture interest will be computed to this date. If there was more than one failure, enter the earliest date on which a required action should have been taken (See paragraph 2-5c).

Item 305 Disbursements for HIP, Taxes, Ground Rents and Water Rates (which were liens prior to mortgage), Eviction Costs and Other Disbursements Not Shown Elsewhere. (Do not include any penalties for late payment). Itemize all disbursements in these categories. Do not include disbursements which were paid from available escrow funds. No expense should be incurred after the date the third party obtains title to the property (Item 9) unless the local HUD office instructs you to take an action. See explanation for escrow account, Part B, Item 109.

Item 306 Attorney/Trustee Fee. Itemize the fees paid to attorneys and trustees in connection with foreclosure or acquisition of title and conveyance of the property to the successful bidder. Do not enter fees for bankruptcy or eviction in this item. If the fee for acquisition and conveyance is within the amount HUD approved for the

Page 6-319/94

4330.4

CWCOT

area, do not itemize the elements of the fee. If attorney fees exceed those approved by HUD for routine foreclosures see paragraph 1-10. HUD WILL CALCULATE THE TWO-THIRDS ALLOWANCE (24 CFR 203.402).

Item 307 Foreclosure and/or Acquisition, Conveyance and Other Costs. Enter all disbursements required to vest title to the property in the name of the successful bidder except taxes paid on deeds included in Item 308 and disbursements shown in Item 306. These costs must be itemized e.g., title policy, resale title binders, title search fees (if separate costs), publication, service of process, etc. If additional space is needed, attach a separate sheet to Part D. HUD WILL CALCULATE THE TWO-THIRDS ALLOWANCE FOR EXPENSES AND INTEREST. (24 CFR 203.402)

Item 308 Taxes on Deed. Enter amounts paid for taxes imposed upon any deeds or other instruments by which the property was acquired by the successful bidder. (Note: Deed taxes should not be included in Item 307.)

Item 309 Special Assessments (Do not use for Coinsurance, see Part E) (Same as Conveyance). For each item in this category, enter the date the lien was

attached or would be attached. Do not include any special assessments which became liens before the mortgage was endorsed for insurance, if not noted in the application for insurance.

Item 310 Bankruptcy (Same as Conveyance). Itemize the bankruptcy fees paid. There must be an entry in Item 40. If bankruptcy fees exceed those approved by HUD for routine bankruptcies see paragraph 1-10. HUD WILL CALCULATE THE TWO-THIRDS ALLOWANCE FOR EXPENSES AND INTEREST (24 CFR 203.402).

Item 311 Mortgage Insurance Premiums (Same as Conveyance). Itemize all MIP disbursements, including

9/94

Page 6-32

CWCOT

4330.4

the period covered. Only include the "advanced" MIP disbursements paid after the due date of the last completely paid installment to the date the deed is filed for record.

E. Instructions for the Completion of HUD Form 27011, Part E Support Document (Continuation 2). The following item by item instructions are to be used when completing Form HUD-27011, Part E, for claims without conveyance of title.

PART E

SUPPORT DOCUMENT (Continuation 2)

Items 400 and 401 FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA case number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

Item 402 Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's reference number as it appears in Item 14 of Part A.

Item 403 Debenture Interest Rate (Same as Conveyance). Using the Debenture Interest Rate Table provided in Appendix 3 of these instructions, determine the rate at the date of firm commitment and the rate at the date of endorsement, then enter the higher rate.

Item 404 Date (Same as Conveyance). Enter the date entered in Part B, Item 104 if all actions taken by the mortgagee are within the time requirements or the

automatic extensions specified in Paragraph 2-13 or within the extended time requirements (See Paragraph 1-3). If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or its approved extension, enter the date the action should have been taken. Debenture interest will be computed to this date. If there was more than one failure, enter the earliest date on which

Page 6-339/94

4330.4

CWCOT

paragraph 2-5c). a required action should have been taken (See

Items 405 Overhead Costs. Not applicable.

Item 406 Amounts Due from Buyer at Closing. Not applicable.

Item 407 Amounts Owed to Buyer at Closing. Not applicable.

Item 408 Additional Closing Costs at Settlement. Not applicable.

Item 409 Appraisal Fee. Enter the amount of the appraisal fee and date paid only if you were instructed to obtain an appraisal by the local HUD office while complying with the procedures. If debenture interest is payable the amount of interest may be entered in Line 130, Column C, of Part B.

Item 410 Deficiency Judgment Costs/Fees. Enter a figure here only if the local HUD office authorized you to obtain a deficiency judgment. The allowable costs and fees are as follows: (1) cost of attorney fees which relate only to the obtaining of the deficiency judgment; (2) additional filing or recording fees directly related to the deficiency judgment; (3) if local law required a judicial foreclosure in order to obtain a deficiency judgment, those costs directly related to the judicial foreclosure, provided that judicial foreclosure would not, otherwise, have been necessary. If debenture interest is payable the amount of interest may be entered in Line 131, Column C of Part B.

Items 411
and 412 Reserved.

